

**MEMORANDUM**

**TO: Commissioners McCarty, Hadley, Landis, Ripley and Ziegner**  
**FROM: Jerry L. Webb, Director of Gas/Water/Sewer Division**  
**DATE: January 8, 2004**  
**RE: Utility Articles for Next Conference**

The following Final Articles A, M, N, S and Preliminary Article A are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after January 14, 2004.

## **“A” Final**

The following miscellaneous items will be eligible for final consideration at the next Commission Conference and based on a review of them by staff members of the Commission, I recommend approval.

### **1. Home Telephone Company d/b/a TDS Telecom**

The utility proposes to modify its tariff to incorporate Touch-Tone rates into Access Line service monthly rates. The proposed revision would not change the overall rates being charged to customers. For example, a residential customer who now pays a monthly \$19.45 basic local service rate plus a separate Touch-Tone fee of \$1.80 would receive a charge of \$21.25 for basic local service and no separate Touch-Tone charge. The proposed tariff would contain a footnote next to the basic local service rates explaining that Touch-Tone charges are rolled into the rates. The Touch-Tone rates are \$1.80 per month for both residential and business customers.

The utility currently does not allow new customers or existing customers who have Touch-Tone service to choose rotary service. Customers who currently use rotary service would have the appropriate Touch-Tone charge subtracted from their basic local service charge. Customers who have rotary services are “grandfathered” at the reduced rate, meaning that rate will be honored for a specific customer and location as long as they stay at that location. For example, if that customer discontinued Access Line service at a location with rotary service and established Access Line service at a different location within the utility’s territory, they would be required to obtain and pay for Touch-Tone service. The utility states that this policy is supported by their tariff because the tariff no longer offers rotary service as an option.

The utility will prepare an information notice that will be included with monthly bills to explain the consolidation of the basic local service and Touch-Tone rates. The information would be sent to all of the utility’s customers prior to or concurrent with the first bill reflecting the proposed changes. The utility will review the information notice with the Office of Utility Consumer Counsel or the Consumer Affairs Division of the Utility Regulatory Commission.

Because this filing is revenue neutral, cost and revenue data have not been submitted.

The tariff sheets affected are:

IURC No. 3, Section 1; Sheet 1 & 2

### **2. Northern Indiana Public Service Company (Electric)**

The Utility is requesting a reduction in its Rate 845 tariff, “Industrial Firm Incremental Power Service”. The Utility is proposing to reduce by \$0.002 the current \$0.010 per kwh adder to the energy charge of Rate 845. This reduction is to remain in place until Northern Indiana Public Service Company (NIPSCO) returns its Dean H. Mitchell Generating Station to service. When the Mitchell plant returns to service, NIPSCO will make a new 30 day filing reflecting the dissolution of the reduction put in place in this filing. This temporary reduction affects only Rate 845.

NIPSCO supplied the following information in response to data requests from Staff:

1. The current Rate 845 customers are:
  - A. Ispat Inland, Inc.
  - B. ISG Indiana Harbor, Inc.
  - C. ISG Burns Harbor, Inc.
  - D. Beta Steel Corporation
  - E. U. S. Steel Corporation
  - F. Cargill, Incorporated
2. Proof that all Rate 845 customers have been notified of and agree to the proposal contained in the 30 day filing.
3. No cost support was supplied with the filing. However, NIPSCO indicates "The negotiated reduction was based upon avoiding the costs of litigation and drain on Company personnel, both of which, while not reduced to any specific numbers, would have been substantial."
4. The Mitchell power plant restart date is uncertain, but NIPSCO anticipates its possible return to service by December 31, 2004.
5. This filing represents an estimated \$4,986,000 revenue reduction for NIPSCO based upon the reduction being in effect most of 2004.
6. The 30 day filing represents the withdrawal by Rate 845 customers of their complaint in Cause No. 42323.

The tariff sheet affected by this filing is:

Sheet No. 18.1B	Rate 845
	Rate for Electric Service
	Industrial Firm Incremental Power Service.

**“M” Final**

A revision to the power cost tracker for electric utilities has been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in Commission Order No. 40095 have been met and I recommend approval.

<u>Item</u>	<u>Utility</u>	<u>Rate Schedule</u>	<u>Change \$/kWh</u>	<u>Resultant \$/kWh</u>	<u>Filing #</u>
1.	Mishawaka Municipal	Residential	0.012080	0.012070	34
		Commercial	0.011479	0.011476	
		Commercial Power	0.012087	0.012377	
		Comm. Elec. Heat	0.011353	0.010566	
		Municipal	0.012322	0.012597	

**"N" Final**

Revisions to the Fuel Cost Adjustment factor and the Non-Fuel Cost Adjustment factor for the Wabash Valley Power Association member systems have been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in Commission Order Nos. 35687 and 41283 have been met and I recommend approval.

<u>Item</u>	<u>Utility</u>	Fuel Factor (\$/kWh)	Change (\$/kWh)	Non-Fuel Factor (\$/kWh)	Change (\$/kWh)	Filing Number
1.	Marshall County	0.009783	0.000085	0.000574	0.000047	68 04 01
2.	Northeastern	0.009348	0.000081	0.000549	0.000045	88 04 01

**"S" Final**

The second of the biannual SCR Adjustment Factors by members of the Wabash Valley Power Association has been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in Commission Order Nos. 42189/42174 approved August 7, 2002, and Cause No. 42322-ECR3 approved December 23, 2003, have been met and I recommend approval.

<u>Item</u>	<u>Utility</u>	SCR Factor <u>(\$/kWh)</u>	Change <u>(\$/kWh)</u>	Filing Number
1.	Marshall County	0.000243	0.000069	68-ECR-03
2.	Northeastern	0.000232	0.000065	88-ECR-03

Please indicate your consideration and action of all the preceding items on the appropriate lines provided below.

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Jerry L. Webb  
Director of Gas/Water/Sewer Division

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I approve of all items as presented above:

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I approve of all items as presented above except:

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Not participating in the following items:

I, \_\_\_\_\_, Disapprove Items

No.

I, \_\_\_\_\_, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

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Nancy E. Manley, Executive Secretary

**“A” Preliminary**

The following new miscellaneous item has been reviewed by staff members of the Commission and we recommend accepting it for filing.

**1. Northern Indiana Public Service Company (Electric)**

The Utility is requesting tariff language revisions to its General Rates and Regulations Applicable to Electric Service, Rule 30. The Utility is proposing to update the charges for temporary service no larger than 100 amps. The new charges will reflect the current cost estimate information that has been submitted to the Commission pursuant to 170 IAC 4-1-27(E). The proposed charges for Temporary Service are \$332 for overhead service, and \$400 for underground service, which will replace charges of \$278 and \$337, respectively.

No base rates or charges will be affected by these changes.

The tariff sheet affected by this filing is:

Sheet No. 60G	General Rules and Regulations Applicable to Electric Service.
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Jerry L. Webb  
Director of Gas/Water/Sewer Division